



GRANT INSTRUCTIONS AND REQUIREMENTS

Nevada Department of Health and Human Services

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GRANT INSTRUCTIONS AND REQUIREMENTS

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GRANT INSTRUCTIONS AND REQUIREMENTS (GIRS)

GIR-20 INTRODUCTION

The Nevada Department of Health and Human Services (DHHS) promotes the health and well-being of its residents through the delivery or facilitation of a multitude of essential services to ensure families are strengthened, public health is protected, and individuals achieve their highest level of self-sufficiency. The Department is one of the largest in state government, comprised of the Director's Office and five Divisions. To accomplish these objectives, DHHS administers program or direct service funds through subgrant awards and other contractual agreements with a statewide network of community partners. Grant Instructions and Requirements (GIRS) are provided to clarify federal and state regulations; ensure efficient use and management of funds; and ensure compliance with both state and federal regulations.

Compliance with GIRS is not optional and is a condition of each award, regardless of funding source, for every subrecipient and/or vendor and is referenced in the terms and conditions of the subgrant award.

GIR-20-1 GIRS DEFINED

The DHHS has adopted the GIRS as part of the Department's policies to provide essential information relative to financial, administrative and program requirements for activities funded by DHHS. It is each Division's responsibility to ensure that all subrecipients are compliant with the applicable federal and state regulations. As federal or state regulations are updated, the GIRS are updated and applied to the grant programs on the effective date the regulation changed. The Department reserves the right to modify or update the GIRS when federal or state regulations are modified or to ensure best practices. Division specific procedures can be more restrictive, not less restrictive.

Sections of the GIRS are identified by the term GIR (a single provision in the Grant Instructions and Requirements), followed by the last two digits of the State Fiscal Year of the last revision, and numbered serially.

Each instruction applies to grants from all funding sources unless otherwise noted in the grant award.

GIR-20-2 GRANTOR AND SUBRECIPIENT DEFINED

The **grantor** is the Department of Health and Human Services (DHHS) and the Division responsible for the administration and oversight of the fund.

For the purposes of this document, the **subrecipient** is the recipient of the federal funds passed through the department and state funds administered by the DHHS. The subrecipient includes all employees, board members and designated representatives of the recipient organization or agency.

For the purposes of this document, an entity that receives a portion of these funds through the subrecipient is also known and recognized as a subrecipient and is subject to the GIRs.

GIR-20-3 GRANTOR AUTHORITY

The grantor cannot be limited in its rights by the subrecipient, as grantor rules and regulations shall supersede subrecipient rules and regulations, unless the subrecipient's are more restrictive. The state's ability to evaluate the grant includes full access to any document and/or record pertinent to the program and the right to interview staff, clients, agency personnel or board members in accordance with the procedures of confidentiality as described in GIR-20-4 and/or any pertinent state or federal regulations.

GIR-20-4 CONFIDENTIALITY

All subrecipients are required to comply with applicable state and federal confidentiality and privacy rules. Subrecipients shall collect, maintain, and transmit personal information about service recipients in a manner that ensures security and protects individual privacy (e.g., use of identifiers instead of names or Social Security numbers on any information submitted to the Grantor). Any subrecipient that is a covered entity under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) shall also comply with the security and privacy safeguards set forth in Public Law 104-191 (45 CFR 160 and 164). Such safeguards shall not restrict the Grantor's access to protected health information which may be necessary to determine program compliance [45 CFR 164.512(d)(1)(iii)].

All subrecipients must have a policy to protect the confidentiality of all Personal Identification Information (PII). PII is defined as: Any representation of information that permits the identity of an individual to whom the information applies to be reasonably inferred by either direct or indirect means. Further, PII is defined as information: (i) that directly identifies an individual (e.g., name, address, social security number or other identifying number or code, telephone number, email address, etc.) or (ii) by which an agency intends to identify specific individuals in conjunction with other data elements, i.e., indirect identification. (These data elements may include a combination of gender, race, birth date, geographic indicator, and other descriptors). Additionally, information permitting the physical or online contacting of a specific individual is the same as personally identifiable information. This information can be maintained in either paper, electronic or other media.

Providing this information to individuals without a "need to know" and/or a measure that is not encrypted is a violation and shall be reported to the federal or appropriate agency for action. Any violation may result in an agency having funding restricted or be placed as a restricted agency by a federal or state agency. All subrecipients must have an active guidance on the protection of PHI in their policies and procedures. The requirements for confidentiality include the maintenance of records.

GIR 20-5 INTERNAL CONTROLS

The Department ensures integrity and accountability through the oversight and monitoring of audit services, fiscal, and programmatic compliance with federal and state rules, policies, and procedures, and investigations of fraud, waste, and abuse while ensuring integrity and accountability.

The GIRS provides a baseline of mandated internal controls to comply with federal and state regulations. Additional internal controls may be established through state statute, the State Administrative Manual (SAM) or through a DHHS memorandum.

Standards for Internal Control in the Federal Government, known as the “Green Book” sets the standards for an effective internal control system for federal funds. The Office of Management and Budget (OMB) sets rules and regulation through federal laws that are applicable to all federal funds. All state and subrecipient organizations must comply with all federal and state regulations. The Government Accountability Office (GAO) provides an Internal Control Management and Evaluation Tool for review and can be accessed at <https://www.gao.gov/assets/80/76615.pdf>.

Documentation of internal control policies for each subrecipient must be maintained on site or produced for desk audit, program review and/or site monitoring visit, prior to the issuance of any grant or contract award, which includes, but not limited to 2 CFR 200 and 2 CFR Chapter 1, Part 170 reporting sub-award and executive compensation information which requires any subrecipient who is awarded a federal grant to file a federal Funding Accountability and Transparency Act (FFATA) Subaward for any sub-grant equal to or greater than \$25,000.

GIR-20-6 CONTROLLING DOCUMENTS

For purposes of administration and decisions regarding compliance and operations, the approved grant proposal (including scope of work, outputs and outcomes), budget, assurances, GIRS, program guidance, and any applicable federal or state regulations and requirements constitute the controlling documents. Both the subrecipient and the Grantor shall reference these documents when interpreting or applying rules.

The Department has adopted the Uniform Guidance (Title 2 of the Code of Federal Regulations (CFR)) as the basis for grant administration, regardless of whether the funds are derived from a federal source to ensure consistency and compliance. Deviations may be more restrictive but not less restrictive than the Uniform Guidance. Below is a link to 2 CFR 200 and to the Nevada State Administrative Manual (SAM), which is also integral to grant administration.

- **Uniform Guidance:** <http://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1&rgn=div5>
- **State Administrative Manual:**
<http://budget.nv.gov/uploadedFiles/budgetnv.gov/content/Governance/SAM.pdf>

GIR 20-7 ETHICS & DISCLOSURE

1. An Ethics and Disclosure Agreement or Statement is required for all Board members, leadership, employees and contractors who must disclose any current employment or fiduciary responsibilities with public, private or non-profit organizations.
2. All subrecipient contract employees or vendors must have been selected as part of an open procurement process and ensure the contractor complies with will all provisions of equal opportunity regulations federally (2CFR 200.317-326) and within the State of Nevada procurement regulations, as applicable. Additionally, subrecipients must ensure that all staff or contractors assigned to work on federal or state projects are not “less than arms-length” (independent and separate) from any member of the organization.
3. Disclosures by all staff must be maintained for any relative being served by the organization or employed by the organization related to the subaward.
4. All disclosure information must be maintained in the human resource file, and accessible during a site review and/or audit.

All subrecipients are required to comply with 2 CFR 200.113 for mandatory disclosures to be submitted in writing to the Department of all violations of law involving fraud, bribery, or gratuity violations.

GIR-20-8 SUBRECIPIENT RIGHTS AND RESPONSIBILITIES

1. The subrecipient organization assumes full responsibility for the overall program which includes: fiscal administration, timely submission of required reports, program management including personnel, and meeting the goals and objectives in the approved grant applications.
2. The subrecipient shall maintain effective control and accountability for all grant funds, property, and other assets. The Uniform Guidance addresses Standards for Financial and Program Management in 2 CFR 200.300-309 and refers non-federal entities to “The Green Book” at <http://www.gao.gov/products/GAO-14-704G> or the “Internal Control Integrated Framework” at <http://www.coso.org/ic.htm>.
 - a. Source documentation for all transactions, controls and other significant events must be maintained with the subrecipient or contractor, be clear and **readily available** for examination. All documentation such as invoices, contracts, subawards, etc., must be maintained at the subrecipient’s principal place of business. Source documentation is addressed in 2 CFR 200.302(b)(3). The submission of a Request for Reimbursement (RFR) or Invoice confirms the subrecipient agreement to comply with source documentation retention requirements. Timelines for record retention are addressed in GIR 20-23.

Any activities that deviate from the scope of work/goals and objectives identified in the grant agreement must receive prior written approval from the program manager and may require a written amendment to the grant agreement. [See 2 CFR 200.201(b)(5).]

3. Subrecipients must notify the program manager immediately regarding any legal action or negative publicity related to grant-funded events, activities, services, purchases, or outreach. (In this case, “immediately” means as soon as the subrecipient becomes aware of such legal action or negative publicity.) [See 2 CFR 328(d)].
4. All instructions, requirements, rules and regulations for grants administered through the Department are applicable to subawards, mini-grants, contracts or other mechanisms passing on these funds. Although the Department designee will conduct reviews and/or audits of subrecipient, it is the primary responsibility of the subrecipient to establish and carry out policies and procedures for monitoring. [See 2 CFR 200.330-332.]
5. Subrecipients must establish policies and procedures for procurement that comply with 2 CFR 200.319-326.
6. Decisions made by program managers must be based on the most recent GIRS, grant agreements, approved budgets, grant assurances, written program policies and procedures, and written fiscal policies and procedures including those in Title 2 of the CFR and the State Administrative Manual (SAM), and in any other federal or state regulations and guidance that apply to the funding source. If a subrecipient disagrees with a decision, the subrecipient has the option to dispute the decision by taking the following steps:

- a. Request in writing that the program manager provide the specific documentation upon which a decision is based. Written response will be made within seven (7) working days.
 - b. If this does not resolve the disagreement, request in writing that the program manager consult the bureau chief (or equivalent) for the program. Written response will be made within seven (7) working days.
 - c. If the disagreement is still unresolved, request in writing that the matter be reviewed by the Division Administrator, whose decision will be final and will not be open to further discussion or challenge.
7. All interactions between subrecipients and Department staff will be conducted with honesty, courtesy, and respect. It is essential that a professional relationship be maintained in order to properly administer the grant and provide effective services in the community.
 - a. Conduct that interferes with the administration of the grant or negatively impacts the ability to provide effective program services may result in termination of the subgrant. [See [GIR-20 through 26.](#)]
8. Technical assistance within the capacity of Department or fiscal staff or through available resources will be provided to subrecipients on the following basis:
 - a. At the request of the Grant Management Advisory Committee (GMAC); or
 - b. At the request of the subrecipient; or
 - c. At the request of the program manager; or
 - d. In accordance with direction from the Department, the Administrator or Deputy Director and Director.
9. All subrecipients that provide direct services to clients are required to submit organizational and service information to Nevada 2-1-1 and to update that information annually. Proof of submission and/or updates will be required as part of the subrecipient's second quarter progress report.
10. All subrecipients of funding must comply with federal law which prohibits subrecipients from replacing (supplanting) state, local or other funds with federal grant or contracted dollars.
11. All subrecipients who provide direct services are required to bill public programs such as Medicare or Medicaid for all eligible expenses. Additionally, third party billing for direct services allowed under the Medicaid Service Manual (MSM) for the State of Nevada and/or appropriate third-party private insurers is mandatory for eligible direct service providers and clients, unless specifically excluded in the subgrant award.
12. All subrecipients are required to comply with state and local compliance requirements that are in place in response to a Presidential or Governor declared disaster in service area defined in grant award, including but not limited to COVID-19, natural disasters, etc.

GIR-20-9 REQUEST FOR REIMBURSEMENT (RFR) INSTRUCTIONS

1. The information provided on this report must reconcile with the Year-to-Date and Transaction List/Source Documentation Reports. The worksheet contains the same information that is within the subaward. **All documents must reconcile to each other.** If they do not reconcile, the RFR will be rejected for the subrecipient to determine the variance. This workbook is for subrecipient use and is their responsibility to verify formulas and information being submitted. Each RFR must be signed by the organization's authorized representative.
2. All Requests for Reimbursement must be submitted using the documents contained in the Request for Reimbursement excel workbook format by the 15th of the month for the previous month, unless otherwise specified in the Notice of Subgrant Award (NOSA).
3. Request for Reimbursement Cover Page with Signature
 - A. Approved Budget: Approved Budget amounts must be populated based on the proposal and scope of work for the performance period of the subgrant. Any change to this amount must be approved in writing by the DHHS and requires a budget modification form (BMR) (10% or less of award) or an amendment (above 10%). The approved budget categories cannot be altered and are compliant with federal and state budgeting.
 - B. Total Prior Requests: List the total expenditures for all previous reimbursement periods in this column, for each category, by entering the numbers found on Lines 1-8, Column D on the previous Request for Reimbursement/Advance form. If this is the first request for the contract period, the amount in this column equals zero. This amount should reconcile to the total of the amounts on the year-to-date report, sans the current month request.
 - C. Current Request: List the current expenditures requested at this time for reimbursement in this column, for each category. Only current expenditures should be included as back up. The expenditures should be for the current month identified on the form. There should be only one PDF document with all the expenditures attached, in order, and documented as to what category they belong as part of the attachment.
 - D. Year to Date Total: Adds Column B and Column C for each category.
 - E. Budget Balance: Subtracts Column D from Column A for each category.
 - F. Percent Expended: Divides Column D by Column A for each category and total. Monitor this column; it will help to determine if/when an amendment is necessary. Amendments **MUST** be completed (including all approving signatures) no later than 30 days prior to the end of the subgrant period.

If an advance has been requested and approved, the second tab, Reimbursement Request – with Advance, will also have to be signed and completed. Each month under the “*advanced pym recon*” must be listed with the advance provided.

If there are no new advances for a month, the expended total should continue to deplete based on the current request (Column C), and the total funds advanced for that month should be zero. The months should be in order. If requesting a new advance, the form should be completed as if an award was being made in the month of the request. Please consult with program manager for detail.

The “match reporting” must be modified to account for each month of advance. This area can have rows added until the match is met.

4. Year-to-Date Report

The information to be completed in this report must reconcile with the Request for Reimbursement (RFR) cover sheet. Starting with Section I, enter the information from the approved budget into this worksheet. Within the personnel category, please use one line per employee. For example, if you have five (5) Counselors, **do not total them together**. Use one line for each staff member, providing their last name and the amount for which you are budgeted annually. Expenditures in categories that are broken into sub-categories in the subaward document must be listed individually.

In Section II, for each month, enter the total for the sub-category in each line. These dollar amounts must reconcile with the individual expenses listed on the Transaction List/Source Documentation.

5. Transaction List and Source Documentation

To be reimbursed for allowable expenses, the subrecipient must list each expenditure being requested in the appropriate category on the Transaction List monthly. Expenditures that are cost allocated to other funding streams must also include the funding allocation in columns to the right of the Total Cost. Upon submission of this document, the requester certifies that all source documentation is being maintained appropriately as required by 2 CFR 200.302. The source documentation must be specific to provide the documentation as required by 2 CFR 200.302. Subrecipients are not permitted to request reimbursement of expenditures on federal or state awards for any individual or contractor that has been debarred or suspended by a federal agency. To ensure no funds are paid to individuals or organizations that are on the Suspended and Debarred list, the subrecipient is required to search the Exclusions Database, Office of Inspector General, US Department of Health and Human Service for all contractors and employees, print the page that returns from the search, and maintain copy with grant file and/or contract for audit purposes. Subrecipients will be responsible to refund any monies paid to any individual or contractor who is included in the Exclusion Database. For access to the site: <https://exclusions.oig.hhs.gov/>.

Source Documentation to be Maintained by Subrecipient:

- **Personnel:** Includes activity-based timesheets and/or the actual pay stubs that show all the deductions and hours worked by the employee. If the employee is not a 100% funded position, the notations must identify what other funds are paying the additional hours. Documentation must identify employer paid expenses. The Department reserves the right to request proof of payment of employer paid expenses.
- **Travel/Training:** Documentation includes mileage logs, invoices, training description, registration, agendas, receipts and State Travel Reimbursement Form, or equivalent. In

many instances travel and training expenditures require prior approval – see subaward and/or Program Manager for specifics.

- **Operating:** Documentation includes all procurement material, purchase order, invoices, receipts, etc. For expenses paid through a revolving credit account, the Department reserves the right to request proof of payment to that account.
- **Equipment:** Documentation includes all procurement material, inventory and disposition, purchase order, invoices, receipts, etc.
- **Contractual:** Documentation includes all procurement material, licensing, insurance requirements, invoices, etc.
- **Other Expenses:** Documentation includes all procurement material, purchase order, invoices, receipts, etc.
- **Indirect Expenses:** The indirect cost rate may be used for expenditures that are not easily identifiable to one funding source. A subrecipient using an indirect rate may not request expenditures as direct costs that are indirect in nature (see Indirect (F&A) Definition at 2 CFR 200.414) and must comply with 2 CFR Section 200.68 for the Modified Total Direct Costs (MTDC) which consists of all direct costs (expenditures) less certain categories of exclusions.

6. Training Breakdown

The training breakdown is specific to any travel, mileage or other expense incurred and must be reported for each employee with the appropriate source documentation. Source documentation includes copies of parking receipts, registration information, etc. All training travel must be approved by Program manager, in advance, if not specifically defined in the grant award.

7. Travel Claims

This is a summary of the travel claim(s) submitted. Please provide the name(s) of the traveler(s), date(s) of travel and the amount being claimed. The total at the bottom of the form should reconcile with the amount you have submitted on your RFR. TRAVEL CLAIMS / TRAVEL BREAKDOWN: If reimbursement for any travel-related expenses is requested, Travel Claims and the travel breakdown information must accompany this worksheet. Additional travel claims may be added to the worksheet, as needed. Please remember that the worksheet submitted each month should only contain backup information for items that are included within that month's expenses.

This form may be used for submitting backup documentation required for travel and training-related travel. New tabs may be created and copied for multiple claims. For claims submitted electronically, please indicate "SIGNATURE ON FILE" on the signature line. All backup documents (e.g., hotel receipts, airfare, rental cars, parking, etc.) and the claim with the original signatures must be available for review during site-visits.

All travel must be identified in the budget request and be specific for the travel approved. Any additional travel out of the county must be approved by the Program manager. All travel must comply with the organization's travel policy but cannot be less restrictive than the General

Services Administration (GSA) regulations. If an organization does not have a travel policy, the State travel policy is applicable.

A subrecipient organization that is able to generate system reports that duplicate all information for numbers 4, 5 and 7 may submit a request to the Department for consideration to use an alternate report.

8. In-Kind Match

This form must be used when reporting required Match. Complete the Reported Match column for each month, additionally, complete the Match column (with months) to provide a total overview of match-to-date. Reported match may not include unallowable expenses, expenditures that have been reimbursed by a federal grant, expenditures that have previously been used for match or maintenance of effort purposes.

9. Budget Modification Form (BMR)

The Budget Modification Form is a form used to request approval to redirect/modify the awarded budget that is less than 10% of the total awarded budget. All transfers between budget categories requires notification and approval. Complete the fields to depict the original or amended budget, the amount of change and the revised budget. The subrecipient must justify requested modifications and explain how it impacts associated objectives and goals of the award. The justification must be specific by category to provide the Department with the information as to why the subgrantee is requesting the change and how it will ensure compliance with the funding purpose and support the performance metrics and goals defined. No action can be taken regarding the budget modification until the state approves the modification.

GIR-20-10 COST SHARING OR MATCHING REQUIREMENTS

Any match requirements will be discussed in the Notice of Funding Opportunity (NOFO) for each funding source. Match may be cash contributions or in-kind. Cost Sharing and/or Matching is required to be reported on the RFR [see GIR 20.9(8)]. Match expenditures are reviewed during site reviews. Subrecipients must maintain documents substantiating any cost sharing or matching. All matches must directly benefit the program for which the funds are granted. Reported match may not include unallowable expenses, expenditures that have been reimbursed by a federal grant, expenditures that have previously been used for match or maintenance of effort purposes.

GIR 20-11 COST ALLOCATION

The cost allocation requirement must be taken into consideration when a subrecipient incurs a cost that benefits more than one cost objective (program). One example would be having an employee who works for two different programs. Another example would be a utility bill for a building used for two or more different programs, each with separate and distinct funding.

In the instance when cost allocation is required, each program must be charged for the percentage of benefit that each program received.

Subgrantees are required to develop and document a reasonable methodology for determining how each applicable cost will be allocated to each cost objective (program) involved. Examples of reasonable methodologies include: percentage of time allocated across programs based on actual time spent on programs as documented on time sheets; facility expenses that will be allocated based on the number of square feet used by each program by a building-use study or determining a reasonable allocation of space; and/or general office supplies based upon the number of Full Time Employees (FTE) working on programs allocated to the total cost of supplies. While the grantee has flexibility in determining the methodology, the selected methodology must be applied across all programs.

Resources for more in-depth and authoritative guidance for cost allocation include the following. Although the intent is to justify federal indirect rates, the principles are relevant to the grant budgeting process.

- Code of Federal Regulations – 2 CFR 200
<http://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1&rgn=div5>
- Sample Indirect Cost Proposal – Health and Human Services
https://rates.psc.gov/fms/dca/np_exall2.html
- U.S. Department of the Interior – Indirect Cost Services for Non-Profits
http://www.doi.gov/ibc/services/indirect_cost_services/nonprofit_orgs.cfm

The subrecipient must maintain documentation that supports the allocation of a cost to each program. The Grantor will review this documentation prior to approving the project budget, Request for Reimbursement or Budget Modification Requests, during fiscal reviews or at any other time deemed necessary to verify that allocations are reasonable and equitable.

GIR-20-12 DIRECT AND INDIRECT COSTS

The State of Nevada defines an Indirect Cost as one that represents the cost of doing business, and are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the organization. These are costs that jointly benefit one or more program and includes items associated with overall financial and organizational administration; operation and maintenance costs for facilities and equipment; payroll, audit and procurement services.

Indirect rates must be applied using the Modified Total Direct Costs (MTDC) which excludes capital expenditures and items such as pass-through funds, major subcontract(s) etc. over the first \$25,000 in that category.

Programs that allow for an indirect rate reimbursement may not submit for direct expenditures that are generally considered an indirect cost.

- A subrecipient that has a federally negotiated indirect rate may use that rate on subawards that are funded with federal grants, provided the federal grant does not restrict the indirect rate.
- A subrecipient that does not have a federally negotiated indirect rate may use the DeMinimus rate of 10% for awards that are funded with federal grants, provided the federal grant does not restrict the indirect rate.

- A subaward funded 100% by state funds is restricted to not more than a 10% indirect rate.

Direct costs generally include, but are not limited to, the following:

- a. Salaries and wages including vacations, holidays, sick leave, and other excused absences of employees working specifically on objectives of a grant or contract (e.g., direct labor costs)
- b. Employee fringe benefits allocable to direct labor employees
- c. Travel of employees that is directly related to the grant objectives
- d. Materials, and supplies purchased directly for use on a specific grant or contract

[See GIR-20-11 for details on how to allocate costs across different funding streams.]

To be eligible for reimbursement of indirect costs, indirect rates must be included in a subrecipient's original, approved budget and the rate may not be renegotiated during the grant year. Reimbursement may not exceed the agreed-upon rate and must be requested at the time of the monthly reimbursement request.

Subrecipients that fail to include the indirect rate in a monthly reimbursement may not combine the request with a future month.

GIR-20-13 PROGRAM INCOME ACCOUNTING PROCEDURES

Under Section 2 CFR §200.80, program income is defined as gross income earned by an organization that is directly generated by a supported activity or earned as result of the federal or state award during a specific period of performance. Program income includes but is not limited to income from fee-for-services performed.

1. Pursuant to CFR 2 Section §200.307, subrecipients shall ensure all measures will be taken to earn program income, when applicable and appropriate, to defray program costs of federal and state grant awards.
2. At the beginning of each grant year, the anticipated program income must be reported on the Budget Summary page submitted to the Grantor along with the project budget. Funds must be listed by budget category (e.g., Personnel, Communications, Travel).
3. All participant contributions, fees or other income generated using grant funds must be credited to the appropriate grant and used to support that grant. Program income may not be used to support other grant-funded programs or general operations.
4. The subrecipient's procedures must ensure full accountability for all program contributions and fees. The subrecipient must clearly document the amount and source(s) of program income, and exactly how the money was used for the grant purpose. Income should be reconciled within the grant period.

A. Accounting for Program Income: All income generated as a direct result of an agency-funded project shall be deemed program income. Subrecipient shall ensure the use is consistent with the purposes identified under the conditions applicable to the

award. The federal portion of program income must be accounted for in the same ratio of federal participation as funded in the project or program.

1. **Program Income Determination:** If project has 75% federal funding and 25% non-federal funding ratio (*for match*), and the total program income earned by the grant is \$10,000 (*minus program income generating expenses, see (B)(2) below*), the 75% or \$7,500 must be accounted for and reported by the subrecipient as program income along with annual program reporting.
 2. **Program Income Expenses:** Typically, there are expenses associated with the generation of Program Income. Subrecipient shall utilize the identified “*best practices*” which includes charging the expenses to the Program Income sub-budget. Expenses shall be allowable and not charged to any other grant or program. The expenses charged to the Program Income sub-budget must meet the Cost Principles of Reasonable, Allowable, Allocable, and Consistently Treated
 3. **Sub-Budget:** Subrecipient shall administer a Program Income **sub-budget** as part of recognized best practices established under the identified subgrant (parent budget).
 4. **Medicaid Billing:** In grant awards where Medicaid billing is allowed or encouraged, no fee or charge will be applied to the client.
 5. **Non-Billable Services:** Subrecipient shall not charge a client for services billable to a grant program, which includes services to crime victims, homeless or identified populations.
 6. **Program Income Tracking:** Subrecipient shall track Program Income in accordance with federal financial accounting requirements and develop a sub-budget for easy review.
 7. **Program Income Use:** Unless different direction is provided by the Department on specific funding, the subrecipient shall utilize the deductive methodology (defined below in subsection D.2) to expand or enhance services identified in the grant objectives by the federal and the non-federal entity
- B. Use of Program Income:** Subrecipient will ensure compliance with all conditions of the federal or state award. Program income shall only be used for allowable program costs and must be spent prior to drawing federal funds (2 C.F.R. § 200.305(b)(5)) or state funds.
1. Subrecipient shall limit the use of program income related to projects financed with federal funds to one or more of the following (pursuant to Title 45 CFR § 74.24 and § 92.25 for health and human service programs and crime victim services Subpart B. Title 28 § CFR 94):
 - a. Program income may be added into the federal award to increase the funds available for the program if it is included in the original approved budget, so that

the program income is approved and authorized by the federal or state awarding agency. All activities must further the program objectives; and/or

- b. Shall be applied to the non-federal share of the project or program; and/or
- c. Deducted from the total federal share of project or program allowable costs; and
- d. Subrecipient shall require any program income that was not originally approved in the budget to be deducted from their total federal award.

2. The program income takes on the properties of federal funds, so costs that are allowable in the award would be allowable; and conversely, costs that are unallowable under the award would be unallowable as program income. Any program income shall only be distributed throughout the budget of the award and spent on project-related activities.

C. Matching or Cost-Sharing Contributions: Subrecipient may utilize program income to meet the non-federal funding match.

- a. Subrecipient shall include the requirement that matching or cost-sharing contributions (including cash and third party in-kind) be:
 - 1. Verifiable;
 - 2. Not included as contributions for any other federally assisted project or program;
 - 3. Necessary and reasonable for proper and efficient accomplishment of the project or program objectives; and
 - 4. Not paid by the federal government under another award (except where authorized by federal statute to be used for cost sharing or matching);

D. Methodology Options and Examples: To ensure consistency in applying rules and regulations to all federal and state grants the following methodology will be used for program income.

- 1. **Additive Methodology:** Program Income funds are added to the amount of the Award. The additional funds are used to cover allowable expenses and are used by subrecipient to further eligible project or program objectives.

Additive Method Example	
Total Award Budget	\$100,000
Program Income Generated	\$ 10,000
Program Funds Available	\$110,000

- 2. **Deductive Methodology:** The Deductive Methodology requires any program income that was not originally approved in the budget to be deducted from their total federal award. For example, if a recipient generates \$10,000 in program income that was not anticipated at the time the budget was approved and their federal award amount is \$100,000, then the \$10,000 would reduce the federal award to \$90,000, while maintaining a total project amount of \$100,000.

Deductive Method (Award amount stays the same)	
Total Award Budget	\$100,000
Net Program Income Generated (Total income minus the cost of generated income, i.e. billing staff, etc.)	\$ 10,000
Maximum amount provided by Grantor	\$ 90,000
Total Funds Expended	\$ 100,000

- 3. Matching (Cost Share) Methodology:** Program Income funds are used to meet a Cost Share commitment. The matching or cost-share methodology is applied, and any income generated above and beyond the program and match would revert to the Additive Methodology.

Matching (Cost Share) Method (Award amount stays the same with allowability to address the non-federal share of match)	
Total Award Budget	\$100,000
Cost Share or Matching Commitment	\$ 15,000
Total Amount Required by Grant	\$115,000
Net Program Income Generated	\$ 10,000
Additional Match Needed	\$ 5,000

E. Documentation: Records shall be maintained and readily available in the event of an audit or other review. This includes but is not limited to:

- *Description of the income generating activities;*
- *Records of Percentage of Maintenance of Effort (MOE) by all grants;*
- *Project Based Time Reporting;*
- *Method used to calculate billable rates;*
- *Billing records (amounts billed and to whom);*
- *Revenue (income) generated, by whom and how applied;*

[Refer to 2 CFR 200.307 for additional information on program income.]

GIR-20-14 ALLOWABILITY AND ALLOCABILITY OF COSTS

For a cost to be allowable as a charge against grant funds, ***it must first be detailed in the approved grant budget***, must benefit (or be allocable) the subgrant, and must be consistent with the goals and objectives of the grant. If a reimbursed cost is later disallowed, for example, through a retrospective fiscal review, it must be repaid to the state within 30-days of notice by the state.

A cost is **allocable** to a grant/program if the goods or services involved are chargeable or assignable to that grant with relative benefits received. This standard is met if the cost:

- Is incurred specifically for the grant/program;
- Benefits both the program and the work entity and can be distributed in proportions that may be approximated using reasonable methods; and
- Is necessary to the overall operation of the entity and is allowable.

A cost that is **allowable** to a grant/program must:

- Be necessary and reasonable for the performance of the project;
- Conform to any limitations or exclusions set forth in the terms and conditions, scope of work etc. within the specific grant or subaward;
- Be consistent with policies and procedures that apply uniformly to both federally financed and other costs and activities of the entity;
- Be accorded consistent treatment. A cost may not be assigned to a grant award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to another grant award as an indirect cost;
- Be determined in accordance with generally accepted accounting principles (GAAP);
- Not be included as a cost or used to meet cost sharing or matching requirements of any other grant program;
- Be adequately documented, and maintain source documentation;
- Incurred during the performance period of the subaward; and
- Be net of any rebates or credits.

GIR-20-15 ALLOWABILITY OF SPECIFIC COSTS

This section provides more detailed information about costs that DHHS subrecipients frequently wish to include in budgets and budget modifications. These policies supersede any less restrictive state or federal policies that may apply to grant-funded programs.

1. Meals and Food

- a. Meals for an employee are reimbursable only when the employee is in travel status and when the final destination is more than 50 miles from the employee's workstation. Reimbursement is subject to the Department's written travel policies and procedures.
- b. Meals or refreshments served during meetings to employees, boards of directors, professional associations or members of the public are **not** allowable. This policy applies regardless of the purpose of the meeting.
- c. General host funds are **not** allowable.
- d. Meals, snacks or beverages provided to program participants in training are allowable provided that these expenses are included in the subrecipient's approved budget. For

example, a program that offers parenting classes in the evening may be allowed to serve a casual supper to parents and children as an attendance incentive. An after-school or summer activity program for youth may be allowed to provide healthy snacks. A program that organizes or sponsors a professional conference may be allowed to provide a meal or snacks to registered participants. In any case, only food or beverages directly related to program activity is allowable. Subrecipients will be reimbursed only for eligible participants. This excludes guests, conference attendees who are not Nevada residents and subrecipient employees.

2. Bottled water or distilled water delivered by a vendor for routine use is **not** allowable unless documentation is provided indicating that the domestic water available at the subrecipient's place of business is unsafe or that the water delivery system is inadequate. [The only exception is bottled water provided as a direct program supply, as described in [GIR-20-11](#)]
3. Kitchen supplies and janitorial supplies (including, but not limited to, paper products, cleaning supplies, and beverage service) are **not** allowable unless they are direct program supplies.
4. Volunteer recognition is allowable (may include gifts, award banquets or a combination). The cost must be included in the subrecipient's approved budget and may not exceed \$25 per volunteer per year. Program employees and members of boards or commissions are not covered under this provision.
5. Late fees, Non-sufficient Funds (NSF) fees, credit card interest charges, and reconnect fees are **not** allowable.
6. Travel costs are allowable only if they provide direct benefit to the grant-funded project and are included in the subrecipient's approved budget. [See GIR-20-17 for details about travel reimbursement.]
7. Subrecipients are required to be compliant with AB 466 [2017] which precludes former employees of state agencies, who are receiving benefits under the Public Employees' Retirement System (PERS), from seeking additional employment as a contractor or employee of an organization or individual receiving state or federal pass-thru funding without Board of Examiner approval.
8. Grant funds may **not** be used for:
 - a. Purchasing real property (e.g., real estate, land, buildings);
 - b. Making donations to organizations or individuals;
 - c. Lobbying;
 - d. Grant writing; or
 - c. Employee/staff funds that typically cover expenses such as birthday gifts, holiday parties, retirement congratulations, and bereavement condolences.
9. Use of grant funds to pay out accrued leave and/or compensatory time upon an employee's separation from service requires prior review and approval by the Department. Extended use of leave for illness, family illness or maternity is allowable, but subrecipients are still responsible for meeting deliverables and outcomes. When extended leave is taken by an employee whose salary is paid in full or in part with grant funds, the subrecipient must

submit a plan to the Department stating how the work will be accomplished in the employee's absence.

GIR-20-16 DISBURSEMENT OF REIMBURSEMENT

1. Grant funds are disbursed using the reimbursement method.
2. Requests for Reimbursement (RFRs) must be submitted on the Department's approved reimbursement form and are required to be submitted within fifteen (15) days after the end of each month, unless specified in the NOSA. Deviation from the reimbursement schedule may be possible but only with prior **written** approval from the program manager.
3. Multiple RFRs for the same grant award should not be submitted simultaneously. Any changes made to a RFR will necessitate revisions to subsequent RFRs.
4. The RFR form must be completed in full. Late submission, questionable costs, incomplete fields, missing documentation, or mathematical inaccuracies will result in a delay of funds being issued. Correction of errors identified by the Grantor is the subrecipient's responsibility. Note that it is also the subrecipient's responsibility to ensure that their records are updated and/or revised to avoid inaccuracies on future RFRs.
 - All workbook documents must be compiled and documented as to what category and section it is applied. The state reserves the right to reject the RFR if not completed as requested.
 - Copies of source documentation for the RFR must be maintained by the subrecipient and made available upon request.
 - Any reimbursement package that fails to contain required information shall be denied and returned to the subrecipient for correction.
 - It is the grantee's responsibility to ensure that each RFR is correct, reconciles and is for the period of request. Any RFR identified as failing to reconcile shall be returned to the agency for correction.
 - The approved budget is for one-year only, even if there is a two-year award. Each year operates as a separate sub-award.
 - No employee funded with federal or state dollars will be permitted to work in excess of 40-hours, without prior permission from the Department, unless otherwise stated in subgrant.
5. Apart from the final RFR, at the end of the grant year (see GIR 20-19), subrecipients must not submit requests with a negative number in the Balance Remaining column for any budget category.
6. Documentation supporting the RFR must be submitted along with the request in the form of a detailed transaction list by budget expense category [see GIRS 20-9]. The transaction list must be in the form of the provided Excel workbook (unless other written approval has been provided). The detailed transaction list must reconcile to the RFR. It is the subrecipient's responsibility to include appropriate subtotals and totals on the transaction list to demonstrate that it does reconcile to the RFR. The transaction list and supporting documents must be kept on file for review at the time of the Department's fiscal monitoring.

The transaction list must be grouped by budget category and have totals that reconcile to the amounts shown on the RFR. RFRs will not be approved without a transaction list.

7. For fee-for-service budgets, documentation supporting the units of service provided during the reimbursement period does not need to be submitted along with the RFR. However, documentation **does** need to be maintained for review during site visits and program monitoring by Department staff. Specific documentation will depend on the kind of services provided and will be determined by the Department prior to submission of the first RFR. Subrecipients will be reimbursed on a fee-for-service basis only if the budget was submitted and approved as a fee-for-service budget prior to the start of the subgrant performance period.
8. In rare circumstances, and under certain conditions, advanced payments may be approved. Availability of advance grant payments will be determined by the Department. If a program is deemed eligible to receive grant payments in advance, the actual payment amounts are to be requested to meet actual cash needs of the project. No further payment will be provided until the previous month RFR has been reconciled.

The following must be in place prior to the review of any advanced payment request:

- a. A fully executed Notice of Subgrant Award (NOSA) must be in place before an advance will be considered.
- b. A subrecipient may submit a request for advance funds if it does not have sufficient working capital to operate the program on a reimbursement basis. Advances may be utilized to cover up to 30 days of expenses that are part of the approved grant budget. Examples include routine operating expenses, payroll, and direct service expenses. **Advances will not be approved for the sole purpose of providing the subrecipient with a financial bolster.**
- c. The requirements of the federal granting authority must be considered prior to authorizing advances.
- d. An Advance Request form must be submitted indicating the reason for the advance along with Commercial Crime Insurance coverage that covers the amount of the advance.
- e. An advance will be paid upon approval of the completed request form, if it meets all requirements.
- f. Subrecipients must establish and maintain policies and procedures that minimize the time elapsed between the transfer of advance funds and disbursement.
- g. The advances to the grantee shall be limited to the minimum amount needed and be timed in accordance with the actual immediate cash requirements of the organization in carrying out the purpose of the approved program or project.
- h. The advances must be the sum of all credits and must be related to maintaining direct services operations.
- i. Upon receipt of an advance, the subrecipient must submit a monthly RFR that depicts the expenditures associated with the advance.
- k. The amount must be accounted for and reduced from the total and available funds on the following RFR. **Advances must be fully earned on or before the final RFR for the grant period.**
- l. The Department's Fiscal Unit will closely monitor the use of the advance to ensure it is used solely for the purposes of the grant that funded the advance.

- m. Misappropriation of advance funds, whether intentional or not, may result in denial of future advance requests and may result in immediate termination of the grant.

GIR-20-17 TRAVEL REIMBURSEMENT

Subrecipients **must** follow these instructions in order to be reimbursed for allowable travel expenses that are allocable to the grant and are included in the subrecipient's approved budget. Instructions are based on Departmental Travel Policies and/or policies documented in the State Administrative Manual (SAM), which may be accessed online at:

<http://budget.nv.gov/uploadedFiles/budgetnvgov/content/Governance/SAM.pdf>

1. Forms for travel reimbursement, and instructions for completing the forms, may be found on the Department website:
http://dhhs.nv.gov/Programs/Grants/Links_to_DIVISION_ORAGENCY_Reports_and_Subrecipient_Documents/
2. Reimbursement is allowed in accordance with the subrecipient's established policies or (in absence of a policy) up to the U.S. General Services Administration (GSA) rates established for the employee's destination, whichever is less. Information on GSA rates may be found on the GSA website: <https://www.gsa.gov/portal/category/26429>. The Nevada State Administrative Manual referenced above allows an exception to the GSA rates for lodging that is procured at a prearranged place such as a hotel when a meeting, conference or training session is held.
3. Least Expensive Means
As a general rule, subrecipients should always execute travel by the most economic means reasonably available. For example, the use of courtesy shuttles from airport to hotel is preferable to the expense of taxis.
4. Grant funds may not be used to cover fees for early flight check-in or excessive baggage.
5. **All expenses related to a single trip must be submitted on the same RFR in order to avoid duplication of payment on different elements of the same trip. The Program Manager may approve exceptions on a case-by-case basis.**
6. Trips That Include Expenses Beyond Local Mileage
When billing for a trip that includes any expense other than local mileage reimbursement, the Travel tab in the RFR Workbook must be utilized to detail the specific trip.
 - a. The following documents must be maintained on file by subrecipient:
 - (1) An agenda if the purpose of the trip was to attend a conference or meeting.
 - (2) A printout of the GSA rate for the area visited (showing allowable hotel and per diem costs).
 - (3) Receipts for parking, airfare, baggage fees, lodging, conference registration, internet access for business purposes, and car rental or other ground transportation (e.g., taxi or shuttle).
 - (4) Note that the receipt for lodging reimbursement **must** include a hotel front desk receipt obtained at checkout. If a room is booked via a service such as Expedia or hotels.com, that receipt must also be maintained. *(Providing both the front desk receipt and the booking receipt verifies that the employee not only paid for the hotel*

- but also made the trip and used the hotel room.)* The amount charged to the grant must be limited to the lodging rate plus applicable taxes and fees, and must either be limited to the GSA rate for the destination or meet the exception criteria set forth in Item 2 of this Section. Personal expenses such as movies, internet access for personal use and charges to deliver meals via room service will not be reimbursed.
- b. Receipts are not required for incidental expenses (e.g., fees for luggage carts, metered parking, toll charges and tips). Reimbursement will be limited to the GSA approved amount per night.

7. Meals

- a. Meals will be reimbursed at not more than the GSA rate for the employee's destination (whether in-state or out-of-state).
- b. If a subrecipient's written travel policies require that the employee be reimbursed for actual costs, then meal receipts must be attached to the Request for Funds. The Department will reimburse the subrecipient for the actual cost, or the GSA rate, whichever is less. The subrecipient may not submit a mix of GSA rate reimbursement and meal receipts. Only one reimbursement method will be accepted.
- c. To be allowed reimbursement, the employee **must**:
 - (1) Travel to a destination that is at least 50 miles from his/her work station;
 - (2) Depart at or before 7 a.m. for breakfast;
 - (3) Depart at or before 11 a.m. and return to the work site after 1:30 p.m. for lunch, and
 - (4) Depart at or before 5:30 p.m. and return to the work site after 7 p.m. for dinner.

Note that departure and return are defined as the time that the employee left or returned to his/her work station or his/her home, whichever is closer to the final destination (or to the airport if flying).
- d. Meals provided as part of the meeting or conference agenda are not eligible for reimbursement, must not be claimed, and a note should be included indicating that the employee is not requesting reimbursement for that reason. Per the Nevada State Administrative Manual, continental breakfasts are not considered meals, per diem for breakfast is allowed in such circumstances.

8. Local Mileage Reimbursement

When submitting a request for local mileage reimbursement, subrecipients must use the Travel Expense Reimbursement Claim form. Subrecipients must include a breakout of the number of miles traveled and the reimbursement rate. Any travel that includes expenses beyond local mileage reimbursement must be submitted in accordance with GIR 20-17 above.

9. Mileage Reimbursement Standards

- a. Mileage will be reimbursed at the current State/GSA rate or the rate in the subrecipient's written policies and procedures, whichever is less.
- b. Mileage will not be paid for travel to/from the employee's home and work station.
- c. An employee using his own personal vehicle will be compensated for any miles driven in excess of their normal commute. An employee's normal commute is the roundtrip mileage between the employer's residence and their official duty station.
- d. Special reimbursement rules apply when an employee chooses to use a personal vehicle for his/her own convenience when other, less costly options are available.
 - (1) Reimbursement will be at half the regular rate if a personal car is used for subrecipient business when an employee could have used a less costly means of transportation such as a company car or motor pool vehicle.

- (2) In the circumstance listed in Item 6 above, if the employee could have flown to the destination at a cost that would have been less than half the regular mileage rate, reimbursement should be limited to the cost of the airfare.

GIR-20-18 BUDGET MODIFICATIONS

Changing line items within a budget category requires prior approval by the Program Manager and must be documented in writing. Approval must be received prior to any expenses being incurred. The Department reserves the right to deny any claims for expenses not identified as a line item if incurred prior to the approval date.

1. All modifications with an overall total less than 10% require a Budget Modification Request (BMR) form and a copy of the updated budget. Proposed expenditures must be consistent with current scope and approved goals for the subgrant.
2. The Indirect Rate may not be renegotiated or changed (unless the indirect is a federally negotiated rate that increases or decreases during the grant year).
3. Modifications to allowable costs within a category may be approved by Program Manager and must be documented (email is allowable).
4. Modifications of more than 10% of overall budget, or a change in scope, requires an amendment to the subaward, a BMR is not used in this instance.
5. Justification for modifications must be complete and include an explanation of **why** funding has become available in certain categories, **why** funding is needed in other categories, and **how** the changes will affect the subrecipient's ability to meet established goals. Simply stating that costs were over-estimated or under-estimated is insufficient justification.
6. If a BMR is initially denied, the Program Manager may direct the subrecipient to make corrections or provide additional justification for reconsideration. All revisions are the responsibility of the subrecipient and cannot be completed by the Program Manager.

GIR-20-19 END OF GRANT YEAR INSTRUCTIONS

1. All Budget Modification Requests must be submitted not less than 30 days prior to the end of the subgrant period. Emergent circumstances may allow for extension of timeframe.
2. All goods and services **received** by the last day of the program's grant year, but not yet paid, are to be treated as accounts payable of that grant year.
3. Final Requests for Reimbursement must be submitted to the Department no later than 15 days after the end of the award period, unless otherwise specified in the subaward.
4. On the final Request for Reimbursement Program Managers may approve a negative balance shown in one or more budget categories as long as the following conditions are met:
 - a. There is not a negative balance in the Indirect category;
 - b. The total negative balance from all categories does not exceed 10% of the award, or \$2,000 whichever is greater;
 - c. Total expenditures from all categories do not exceed the total grant budget;

- d. Subrecipient submits detailed request/justification to the Program Manager via e-mail prior to over-expending funds for the category (or categories) in question;
- e. The budget variances do not constitute substantive changes to the original scope; and
- f. The Program Manager pre-approves the request in writing.

GIR-20-20 CARRYOVER OF FUNDS

Subgrants and contracts may not be carried over from one budget year to the next. It is expected that grant funds not expended by the end of the budget year will revert to the appropriate funding source.

If available, carryover funds will be issued in supplemental subgrant awards and must be managed separate and distinct from other grant funds.

GIR-20-21 EQUIPMENT AND INVENTORY REQUIREMENTS

1. Subrecipients must establish a system of accounting for all equipment purchases of \$5,000 or more and for computer purchases of any amount. The system must include, at a minimum, a listing of all equipment purchased with grant funds, the date purchased, the funding source, the cost, the serial number or other identifying number, the physical location, and disposition.
2. An ongoing inventory must be maintained for all items purchased with grant funds that meet the following criteria:
 - a. Has an anticipated useful life extending beyond one year;
 - b. Is not consumed in use;
 - c. Is not attached permanently as a non-movable fixture; or
 - d. Had a purchase price of \$5,000 or is a computer, camera or TV, regardless of cost.
3. Subrecipients must inventory certain other items (e.g., furniture, GPS systems, computer-related devices, digital cameras and video equipment) and provide the inventory certification on a site visit, desk review and/or audit as requested by the Program Manager.
4. Subrecipients should conduct a physical inventory periodically (no less than annually) and compare it to the written records. If a subrecipient has equipment or property purchased with grant funds they no longer use, a listing of the items must be sent to the Department for review and follow up.
5. Following expired or terminated subgrant(s) issued by the DHHS, the Department may direct the subrecipient to retain, transfer, or liquidate equipment and non-consumable materials purchased with grant funds. If equipment is liquidated, use of the proceeds must be approved by the Department. If equipment or property was purchased with federal funds and the fair market value is above \$5,000, the federal granting agency must be reimbursed after liquidation.

GIR-20-22 SPECIAL REQUIREMENTS FOR GIFT CARDS, VOUCHERS, AND OTHER LIKE ITEMS

1. Programs that use grant funds to purchase gift cards, gift certificates, bus passes, vouchers, and other like items for clients must establish internal controls in the form of written policies and procedures that, at a minimum:
 - a. Ensure the security of the items; and
 - b. Address appropriate distribution to clients.

Not all funds allow the purchase of gift cards, vouchers, or other like items and must specifically be included as part of the subgrant award.

2. Programs are required to use a log to inventory and track distribution and use of the cards, certificates, passes, vouchers, etc. (hereafter collectively referred to as "item"). A log template is available from the Grantor, but the subrecipient may create one of its own if it tracks the following information:
 - a. Source of each item (e.g., Wal-Mart, Safeway);
 - b. Individual serial number or another identifier of each item;
 - c. Denomination (value) of each item;
 - d. Date each item was purchased (if applicable);
 - e. Date issued to client;
 - f. Date item was documented in client's case file;
 - g. Identification of client (name or confidential identifier);
 - h. Name of case manager;
 - i. Purpose of item or description of products or service to be purchased with item; and
 - j. In the case of gift cards, a checkmark to indicate whether a receipt was returned to the subrecipient by the client.
3. The written policies and procedures, as well as the log, must be made available to the Department upon request and may be reviewed during program site visits.

GIR-20-23 RETENTION AND DISPOSAL OF PROJECT DOCUMENTS

1. Financial records, supporting documents, statistical records, and all other records pertinent to a grant agreement (whether in electronic or hard copy form) must be retained for a minimum of three (3) years from the submission of the subgrants final RFR, or in accordance with the subrecipient's more restrictive guidelines. If any litigation, claim, or audit is started before the end of the three-year period, then all pertinent documents must be retained until all actions involving the records have been resolved.
2. During the three-year retention period or any extended period resulting from litigation, claims, or audits, the Deputy Director of Fiscal Services or any of the Department's **duly authorized representatives** shall have access to any pertinent books, documents, papers, or records of subrecipients to review audits, examinations, excerpts, and transcripts.

GIR 20-24 PROGRESS REPORTS

Subrecipients are required by their subaward with DHHS to submit monthly, quarterly and annual progress reports on the progress and service of the grant award. All reports are due within 30-days after each reporting period ends. The Program Manager will work with the subrecipient to define the specific reporting activities. Data is expected to be used by the subrecipient to develop an analytical program report that responds to the measures and goals identified in the grant. Reporting data should be trended monthly and quarterly, with the annual report specific to defining what objectives were met during the funding year. Failure to provide progress reports may result in corrective actions, a reduction or termination of funding.

GIR-20-25 PROCEDURES FOR MONITORING AND ADMINISTRATIVE REVIEW OF EXTERNAL AUDITS

1. The Department may, at its discretion, conduct a monitoring of a subrecipient at any time during or up to three years after the close of a grant year. The monitoring may be conducted by either Department staff or contracted agencies. The applicable DHHS program and/or fiscal staff will be copied on all correspondence, reports, and action plans to ensure coordination among all parties.
2. For scheduled monitoring, each subrecipient will be notified in writing (or email) at least 10 working days prior to the visit and include the types of documents that must be made available to the person conducting the monitoring prior to their visit and/or during their visit to the subrecipient's location.

3. If the Department attempts to perform a monitoring and discovers that adequate records do not exist, or the condition of the records is such that a fiscal monitoring cannot be completed, the Department will issue written notification that the subrecipient:
 - a. May be placed on probation, and/or
 - b. May be subject to withholding of any further funding from the Department until the deficiencies are corrected and the fiscal monitoring is completed.
4. Within 30 calendar days following completion of the Department monitoring, the subrecipient will receive a preliminary report that specifies the findings of the Department, subsequent recommendations, and a deadline for responding to the preliminary report.
5. The subrecipient may choose to submit, within the timeframe specified in the preliminary report, a written response addressing any disagreement of adverse findings. Adverse findings are defined as follows.
 - a. Lack of Adequate Records: The Department determines that enough records do not exist, or the records are not in a condition to allow the Department to perform a fiscal monitoring.
 - b. Administrative Findings: Findings that represent weaknesses in the internal accounting and administrative controls but do not include questioned costs or costs recommended for disallowance.
 - c. Questioned Costs: Costs charged to a grant that cannot be supported by documentation. With approved documentation, questioned costs may become allowable. Without documentation, they will become disallowed costs and repayment to the Department may be required.
 - d. Costs Recommended for Disallowance: Costs that are not within the scope of the grant agreement and grant budget or that are in direct violation of state or federal policies. Repayment to the Department may be required.
7. The Department will include the response in the final report.
8. External Audit Requirements
 - a. Any subrecipient expending \$750,000 or more in combined federal funds during the subrecipient's fiscal year is subject to a Single Audit that meets the standards set forth in Subpart F of 2 CFR 200.
 - b. All subrecipients that are audited, for either federal or business purposes, are required to submit a copy of the audit report to the state no less than 30 days after the subrecipient receives the auditor's report. This is required even if the grant is closed.
 - c. The Grantor will perform an administrative review of the audits to determine if there are any findings that may negatively affect federal or state funds.
 - d. If adverse findings are identified, the state will issue a management decision letter that may:
 - Inquire about expected action (e.g. repayment of questioned costs or policy revision);
 - Request a corrective action plan;
 - Establish a timetable for resolution;
 - Require a Departmental fiscal review;
 - Suggest training or offer technical assistance; and/or
 - Inform the subrecipient of their right to appeal (if any).

GIR-20-26 INTENTIONALLY LEFT BLANK

GIR-20-27 CORRECTIVE ACTIONS

If a subrecipient does not meet subgrant requirements, the DHHS may require the subrecipient to develop and implement a Corrective Action Plan [CFR 200.206], apply special award condition(s), place the subrecipient on probation, or terminate the grant. This section describes the reasons, consequences, and process associated with each corrective action. In each case, enforcement of the appropriate consequences is at the discretion of the Department Director or Division Administrator. Any level of corrective action may be applied at any time; options may not be applied sequentially.

1. Corrective Action Plans

- a. Corrective Action Plans are generally required when deficiencies are identified as a result of program or fiscal monitoring. However, the Department reserves the right to impose this option under other circumstances if the need arises.
- b. The process for a Corrective Action Plan includes the following steps.
 - (1) Within 30 calendar days of receipt of the request, the subrecipient must submit a Corrective Action Plan.
 - (2) Within 15 working days of receipt of the Corrective Action Plan, the Program Manager will respond and, if necessary, work with the subrecipient on any required revisions.
 - (3) A target date for completion will be established by the Program Manager and progress will be monitored at established intervals.
 - (4) Completion of the Corrective Action Plan will be documented in the Department's grant file.
- c. Failure to complete the Corrective Action Plan may result in special award conditions, probation, or termination as described in this section.

2. Special Award Conditions

- a. Reasons a subrecipient may be subject to special award conditions include, but are not limited to, the following:
 - (1) History of poor performance or poor management;
 - (2) Financial instability;
 - (3) A management system that does not reasonably assure grant compliance and accurate accounting records;
 - (4) Insufficient governance structure; and/or
 - (5) Non-compliance with the terms and conditions of a grant award.
- b. Consequences related to special award conditions may include, but are not limited to, the following:
 - (1) Additional reporting;
 - (2) Prior Approval requirements;
 - (3) Additional backup documentation;
 - (4) Audit;
 - (5) Accreditation requirement; and or
 - (6) Additional site visits by program and/or fiscal staff, with or without advance notice.
- c. Special conditions and/or requirements may be imposed, as needed, at the beginning of the grant period or at any time within the grant period. If the Department determines that

special conditions and/or requirements are necessary, the subrecipient will be provided with written notification that includes the following:

- (1) Nature of the additional requirements;
 - (2) Reason(s) for the additional requirements;
 - (3) Nature of the corrective actions needed;
 - (4) Time allowed for completing the corrective actions;
- d. The special conditions and/or requirements will remain in force until Department staff determines that the precipitating issues have been resolved;
- e. The consequence of failure to comply with special conditions and/or requirements is probation; and
- f. If the grant funds are from a federal source, the state will ensure compliance with provisions in 2 CFR 200.205, 207 or 210, "Specific Conditions."

3. Probationary Status

- a. Reasons a subrecipient may be placed on probation include, but are not limited to, the following:
- (1) Unwillingness or inability to comply with special conditions and requirements as described in this section;
 - (2) Non-compliance with federal or state rules and regulations;
 - (3) Non-compliance with the Department's GIRS;
 - (4) Inability or unwillingness to properly manage the program;
 - (5) Non-compliance with the approved grant application terms and conditions;
 - (6) Non-submission of required reporting or failure to submit reports in a timely manner;
 - (7) Significant findings by an independent auditor that affect the programs funded by the Department and/or classification as high-risk by an independent audit;
 - (8) Non-compliance with applicable federal regulations and guidance; and/or
 - (9) Classification by the Department as high risk with no significant improvement to correct deficiencies.
- b. Consequences related to probationary status may include, but are not limited to, the following:
- (1) The subrecipient may not be eligible for any additional funding;
 - (2) The subrecipient may not be allowed to receive any grant payments in advance but may be reimbursed on an actual cost basis;
 - (3) The appropriate Department advisory committee will be informed of the subrecipient's probationary status; and/or
 - (4) The subrecipient may be required to appear before the appropriate Department advisory committee. If so, in keeping with the Nevada Open Meeting Law, the subrecipient will be given at least three days advance notice of the time, date, and location(s) of the meeting.

- c. The process for implementing probationary status and monitoring progress toward corrective action is as follows:
- (1) The Department will notify the subrecipient of probationary status in writing, citing the reasons for that action, and will meet with the subrecipient within 10 working days to determine the current status of the program with regard to budget, original goals or any other areas of concern.
 - (2) Within 10 working days following the meeting, the subrecipient will be required to submit new goals, budgets, or other corrective plans and a strategy for achieving those goals to the Program Manager for approval.
 - (3) The Department will respond to the corrective action plan within 10 working days of receipt. The subrecipient may be asked to make modifications. If so, a timeline will be established by the Department.
 - (4) Progress on the corrective action plan will be reviewed by the Department at a minimum of every 60 calendar days.
 - (5) When the corrective actions have been completed, the probationary status will be removed. The appropriate Department advisory committee will be informed of this decision at their next scheduled meeting.
 - (6) The consequence of failure to meet the terms of probation is termination of the grant.

4. Involuntary Termination

Grants may be terminated by the Department Director or Division Administrator in accordance with the General Conditions that are incorporated with the Notice of Subgrant Award (NOSA). A subrecipient may be subject to termination for including, but not limited to, the following:

- (1) Unwillingness or inability to comply with special award conditions and requirements as described in this section;
- (2) Unwillingness or inability to meet the terms of probation as described in this section;
- (3) Conduct that interferes with the administration of the grant or negatively impacts the ability to provide effective program services;
- (4) Illegal activity of any kind;
- (5) Insolvency;
- (6) Failure to disclose a conflict of interest;
- (7) Influence by a gratuity;
- (8) Any violations of the terms of the grant agreement; and/or
- (9) Substantiated fraud, abuse, or misappropriation of grant funds.

Consequences of termination may include, but are not limited to, the following:

- (1) Repayment to the state of any outstanding advance;
- (2) Non-reimbursement for any grant-related expenses incurred after the termination effective date;
- (3) Transfer or liquidation of all equipment and non-consumables purchased with grant funds during the grant period (including equipment with an original purchase price of \$1,000 or more, all computers and software regardless of original purchase price, and any other items the state has required the subrecipient to inventory during the course of the grant);
- (4) Surrender of any and all documents related to the grant that the state deems necessary; and/or
- (5) Repayment to the state of all grant funds found to be unallowable costs.

1. No-Fault Termination

- a. A no-fault termination may occur at any time during the grant year. Reasons a grant may be terminated on a no-fault basis include, but are not limited to, the following:
 - (1) The state and the subrecipient mutually agree to termination without cause;
 - (2) Funding from the state and/or federal sources is not appropriated or is withdrawn, limited, or impaired; and/or
 - (3) Other extenuating circumstances exist that render continuation by the state or subrecipient impossible.

- b. Consequences of termination may include, but are not limited to, the following.
 - (1) Repayment to the state of any outstanding advance;
 - (2) Non-reimbursement for any grant-related expenses incurred after the termination effective date;
 - (3) Transfer or liquidation of all equipment and non-consumables purchased with grant funds during the grant period (including equipment with an original purchase price of \$1,000 or more, all computers and software regardless of original purchase price, and any other items the state has required the subrecipient to inventory during the course of the grant); and/or
 - (4) Surrender of all documents related to the grant that the state deems necessary.

- c. The process for implementing a no-fault termination is as follows:
 - (1) The state will notify the subrecipient in writing.
 - (2) A public hearing will not be scheduled.
 - (3) Termination will be effective immediately upon receipt of the written notice (or any date specified therein).